

Unaudited Interim Financial Statements for the Nine Months ended 31 March 2020

AFRASIA BANK LIMITED



Statement of Financial Position as at 31 March 2020

	As at 31 March 2020 Unaudited	As at 31 March 2019 Unaudited	As at 30 June 2019 Audited
	MUR'000	MUR'000	MUR'000
ASSETS			
Cash and cash equivalents	58,583,287	50,795,075	50,698,992
Due from banks	16,928,442	10,801,519	12,967,930
Derivative financial instruments	270,269	54,658	92,413
Loans and advances to banks	6,304,100	5,822,713	6,013,240
Loans and advances to customers	24,307,021	21,506,992	22,107,215
Investment securities	50,387,308	39,759,632	45,308,171
Investment in subsidiary	-	189,563	-
Property and equipment	177,051	178,961	185,675
Right of use assets	85,583	-	-
Intangible assets	266,374	239,192	243,398
Deferred tax assets	91,421	98,058	100,953
Other assets	2,127,139	2,027,310	2,106,722
TOTAL ASSETS	159,527,995	131,473,673	139,824,709
LIABILITIES			
Due to banks	15,688	49,833	30,434
Deposits from customers	150,347,415	123,081,374	131,208,365
Derivative financial instruments	38,080	57,168	49,995
Debts issued	-	232,264	184,205
Retirement benefits obligation	64,652	41,688	64,652
Current tax liabilities	38,443	96,544	112,116
Lease liabilities	87,661	-	-
Other liabilities	497,054	454,866	458,538
TOTAL LIABILITIES	151,088,993	124,013,737	132,108,305
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Ordinary Shares	3,641,049	3,641,049	3,641,049
Class A shares	1,385,768	1,385,768	1,385,768
Retained earnings	2,333,623	1,707,427	1,836,242
Other reserves	1,078,562	725,692	853,345
TOTAL EQUITY	8,439,002	7,459,936	7,716,404
TOTAL EQUITY AND LIABILITIES	159,527,995	131,473,673	139,824,709

Statement of Profit or Loss and other Comprehensive Income for the Nine Months ended 31 March 2020

	Nine months ended 31 March 2020 Unaudited	Nine months ended 31 March 2019 Unaudited	Year ended 30 June 2019 Audited
	MUR'000	MUR'000	MUR'000
Interest income	2,494,467	2,377,179	3,169,047
Interest expense	(874,640)	(606,601)	(858,274)
Net interest income	1,619,827	1,770,578	2,310,773
Fee and commission income	576,643	522,935	718,151
Fee and commission expense	(241,068)	(216,294)	(291,379)
Net fee and commission income	335,575	306,641	426,772
Net (loss)/gain from derecognition of financial assets measured at amortised cost	(501)	23,927	23,927
Net trading income	482,311	168,231	228,862
Net (loss)/gain from derecognition of financial assets measured at fair value through other comprehensive income	(3,056)	-	98
Net gain from foreign exchange and derivatives	502,957	506,473	687,941
Other operating income	6,470	10,400	15,118
Total operating income	2,943,583	2,786,250	3,693,491
Net impairment loss on financial assets	(445,071)	(410,602)	(468,380)
Net operating income	2,498,512	2,375,648	3,225,111
Personnel expenses	(543,225)	(501,910)	(646,296)
Depreciation on property and equipment	(25,948)	(27,429)	(36,361)
Depreciation on right of use assets	(23,835)	-	-
Amortisation of intangible assets	(29,708)	(28,510)	(38,586)
Other operating expenses	(336,171)	(289,906)	(387,303)
Total operating expenses	(958,887)	(847,755)	(1,108,546)
Operating profit	1,539,625	1,527,893	2,116,565
Impairment loss on investment in subsidiary	-	-	(189,563)
Impairment loss on receivable from subsidiary	(91,473)	-	(103,000)
Profit before tax	1,448,152	1,527,893	1,824,002
Tax expense	(147,914)	(205,583)	(239,219)
Profit for the period/year	1,300,238	1,322,310	1,584,783
Other comprehensive (loss)/income that may be subsequently reclassified to profit or loss:			
Movement in investment revaluation reserve for debt instruments measured at fair value through other comprehensive income:			
-(Losses)/gains arising during the period/year	(3,964)	715	2,574
-Reclassification of fair value reserve to profit or loss on derecognition	3,056	-	(98)
	(908)	715	2,476
Other comprehensive loss that will not be reclassified to profit or loss:			
Remeasurement of retirement benefits obligation	-	-	(9,269)
Deferred tax on remeasurement of retirement benefits obligation	-	-	381
Fair value (losses)/gains on equity instruments designated at fair value through other comprehensive income	(46)	-	1,122
	(46)	-	(7,766)
Other comprehensive (loss)/income for the period/year	(954)	715	(5,290)
Total comprehensive income for the period/year attributable to equity holders of the parent	1,299,284	1,323,025	1,579,493

Statement of Changes in Equity for the Nine Months ended 31 March 2020

	Ordinary shares	Class A shares	Retained earnings	Other reserves	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 01 July 2018 (audited)	3,641,049	1,385,768	1,277,521	594,914	6,899,252
Effect of adopting IFRS 9	-	-	(429,380)	547	(428,833)
At 01 July 2018 (as restated)	3,641,049	1,385,768	848,141	595,461	6,470,419
Profit for the period	-	-	1,322,310	-	1,322,310
Other comprehensive income	-	-	-	715	715
Total comprehensive income for the period	-	-	1,322,310	715	1,323,025
Appropriation of reserves	-	-	(129,516)	129,516	-
Dividends	-	-	(333,508)	-	(333,508)
At 31 March 2019 (unaudited)	3,641,049	1,385,768	1,707,427	725,692	7,459,936
At 01 July 2018 (audited)	3,641,049	1,385,768	1,277,521	594,914	6,899,252
Effect of adopting IFRS 9	-	-	(429,380)	547	(428,833)
At 01 July 2018 (as restated)	3,641,049	1,385,768	848,141	595,461	6,470,419
Profit for the year	-	-	1,584,783	-	1,584,783
Other comprehensive (loss)/income	-	-	(8,888)	3,598	(5,290)
Total comprehensive income for the year	-	-	1,575,895	3,598	1,579,493
Appropriation of reserves	-	-	(254,286)	254,286	-
Dividends	-	-	(333,508)	-	(333,508)
At 30 June 2019 (audited)	3,641,049	1,385,768	1,836,242	853,345	7,716,404
At 01 July 2019 (audited)	3,641,049	1,385,768	1,836,242	853,345	7,716,404
Profit for the period	-	-	1,300,238	-	1,300,238
Other comprehensive loss	-	-	-	(954)	(954)
Total comprehensive income/(loss) for the period	-	-	1,300,238	(954)	1,299,284
Appropriation of reserves	-	-	(226,171)	226,171	-
Dividends	-	-	(576,686)	-	(576,686)
At 31 March 2020 (unaudited)	3,641,049	1,385,768	2,333,623	1,078,562	8,439,002

Statement of Cash Flows for the Nine Months ended 31 March 2020

	Nine months ended 31 March 2020 Unaudited	Nine months ended 31 March 2019 Unaudited	Year ended 30 June 2019 Audited
	MUR'000	MUR'000	MUR'000
Net cash flows generated from operating activities	8,735,889	1,577,659	1,535,482
Net cash flows used in investing activities	(74,236)	(36,652)	(67,184)
Net cash flows used in financing activities	(771,564)	(676,281)	(718,541)
Net cash flows for the period/year	7,890,089	864,726	749,757
Movement in cash and cash equivalents			
Cash and cash equivalents at start of period/year	50,724,291	49,974,533	49,974,533
Net increase in cash and cash equivalents	7,890,089	864,726	749,758
Cash and cash equivalents at end of period/year	58,614,380	50,839,259	50,724,291
Operational cash flows from interest			
Interest paid	(812,756)	(676,738)	(881,183)
Interest received	2,160,104	2,275,502	2,864,516

Third quarter ended 31 March 2020 Key figures (compared to same period last year)



As at 31 March 2020 Key figures (compared to same period last year)



Management's Comments

The world is currently facing an unprecedented situation affecting the environment in which we operate from various levels - economic, social and financial. Coupled with the Covid-19 challenges, Mauritius is currently faced with the threat of being included in the high-risk jurisdictions list by the European Commission as from October 2020.

Amidst a challenging local and global environment, all our efforts have been on the safeguarding of the Bank's franchise. We are now pleased to present the following results for the nine months ended 31 March 2020.

AfrAsia Bank Limited (the 'Bank') registered an operating income of MUR 2.9bn, an increase of 5.6% compared to MUR 2.8bn for the same period last year. The Profit after tax for the period stood at MUR 1.3bn for the nine months ended 31 March 2020.

Net interest income dropped by 8.5% for the nine-month period compared to same period last year as a result of a decrease in interest rates.

Non-interest income increased by 30.3% contributing an additional MUR 308m to the profit after tax of the Bank for the nine-month period.

Impairment on financial assets of MUR 445.1m has been provided for in the financial statements in line with the provision requirements of "IFRS 9 - Financial Instruments". The Bank will continue to reassess its impairment level taking into consideration the Covid-19 global pandemic.

Total operating expenses amounted to MUR 958.9m for the period mainly on account of personnel expenses which grew by 8.2% to stand at MUR 543.2m. The cost-to-income ratio of the Bank continues to be stable at 32.6%.

Customer deposits at MUR 150.3bn as at the end of March 2020, an increase of 22.2% from March 2019.

The Bank is well positioned to withstand the headwinds of the current situation due to our relatively low loan to deposit ratio and our strong US dollar liquidity.

The Bank's Capital Adequacy Ratio stood at 14.79% as at end of March 2020 against a regulatory limit of 13.50% compared to 14.94% for the same period last year against a regulatory limit of 12.88%.

The above performance resulted in a satisfactory Return on Average Equity of 23.2%.

By Order of the Board
Company Secretary
14 May 2020

For the information of stakeholders, AfrAsia Bank Limited is pleased to present its interim unaudited financial statements for the nine months ended 31 March 2020.

This notice is issued pursuant to the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007.

Copies of the unaudited interim financial statements (which can also be viewed on the Bank's website www.afrasiabank.com) are available free of charge at the registered office of the Bank, Bowen Square, 10, Dr Ferrière Street, Port Louis, Mauritius. The statement of direct and indirect interests of officers, pursuant to Rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, is also available free of charge, upon request at the registered office of the Bank.